



Indiana Clean Energy Credit Program

"Clean up, cut back, cash in."

What is the Indiana Clean Energy Credit Program?

- The Indiana Clean Energy Credit Program is a state program to encourage clean energy projects. Entities that have recently completed, or plan to complete, a large energy efficiency or renewable energy project or projects are encouraged to apply.
- The program awards "credits" to companies for voluntary high-efficiency energy projects and renewable energy projects.
- Credits can be sold or traded on a national market.
- In recent years, credits have been valued in the range of \$2,500 to \$6,000.
- One credit is awarded for each ton of nitrogen oxides (NO_x) emissions prevented.
- Because it takes a large energy savings to total a ton of NO_x saved, the program allows for several projects to be combined on a single application.
- A single company can earn credits for a single, large project, or for a number of projects they might complete over the course of a few years.
- Several businesses or organizations could form a group, submit a single application based on the combined total savings of their projects, and share the returns that the program offers.

How does participating in the program help the bottom line?

- Program credits add to the returns on investments already being made for highly efficient energy production and consumption, and for renewable energy production.

What types of projects can earn credits?

- End-use energy efficiency projects, including demand-side management programs.
- Highly efficient electricity generation for the predominant use of a single end user, such as combined cycle, combined heat and power, microturbines and fuel cell systems. In order to be considered as highly efficient electricity generation, generating systems must meet or exceed certain thresholds. Refer to the program guidance for information on efficiency levels that must be met.
- Zero emission renewable energy projects that displace electricity produced by a utility for the power grid. Projects in this category should involve energy resources that either cannot be depleted (e.g. wind and sun) or that can be rapidly replenished (such as biomass) and that do not emit NO_x or other criteria pollutants during their operation. Examples could include photovoltaics, wind turbines, hydropower or ethanol-powered fuel cells. Other technologies meeting the criteria for zero emission renewable energy projects will also be considered. Certain restrictions apply for hydropower projects. Refer to the program guidance.
- Energy efficiency projects generating electricity through the capture of methane gas from sanitary landfills, water treatment plants, sewage treatment plants or anaerobic digestion systems operating on animal and/or plant wastes.
- The installation of highly efficient electricity generation equipment for the sale of power where such equipment replaces or displaces retired electrical generating units (combined cycle systems, combustion turbines or boilers serving greater than 25 megawatts). Certain efficiency standards must be met: refer to program guidance for more information.

- Improvements to existing fossil fuel fired electrical generation units that increase the efficiency of the unit and decrease the heat rate used to generate electricity. It is expected that the improvements implemented under this category would result in at least a one percent increase in efficiency.

Who may be a project sponsor?

- Any individual, group, organization or business that uses electricity or other forms of energy or that produces electricity from renewable sources, and can initiate, finance, or carry out projects that reduce or displace electricity generation or reduce other energy may become a sponsor for projects that claim credits through the Indiana Clean Energy Credit Program.
- For example:
 - Commercial and industrial building owners and operators;
 - Energy service companies (ESCOs);
 - Home builders and associations;
 - Home owners associations;
 - Federal, state and local government agencies;
 - Commercial businesses;
 - Manufacturers and other industrial energy users;
 - Manufacturers leasing or selling high-energy efficiency equipment;
 - Merchant power generators; and
 - Utilities.

When are applications due?

- Applications are due annually, by September 1, for the following ozone season.
- For example, applications for the 2005 ozone season are due by September 1, 2004.
- Projects are eligible for allowances for up to five years, with annual reapplication required by September 1 of each year.

For more information:

- Contact Roger Letterman, with the Office of Air Quality at the Indiana Department of Environmental Management, at 317/232-8342 or rletterm@dem.state.in.us
- Contact Phil Powlick with the Energy and Recycling Office at the Indiana Department of Commerce, at 317/232-8979 or ppowlick@commerce.state.in.us
- Visit: <http://www.IN.gov/idem/energycredit/>
- To view the program guidance manual, visit: <http://www.in.gov/idem/air/standard/Sip/guide.pdf>.